



Maple on Hastings

Hawthorn East, Victoria

Powered By:



Private Lender Project Overview

Residential Apartments

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Executive Summary

Dear Private Lender,

On behalf of GPG No 1 Pty Ltd (ACN 635 477 379) ATF GPG No 1 Unit Trust, Griffin Projects Group are pleased to present to you this private funding opportunity into another exciting Griffin property syndication project.

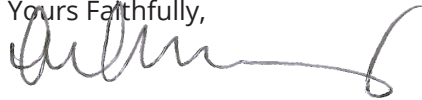
The project is a medium to long term funding opportunity, with the key objective being to develop the land lot located at 380 Riversdale Road, Hawthorn East 3123, into a proposed residential development featuring 3 three bedroom apartments and 8 two bedroom apartments.

The following document outlines some key information to aid you in making your decision.

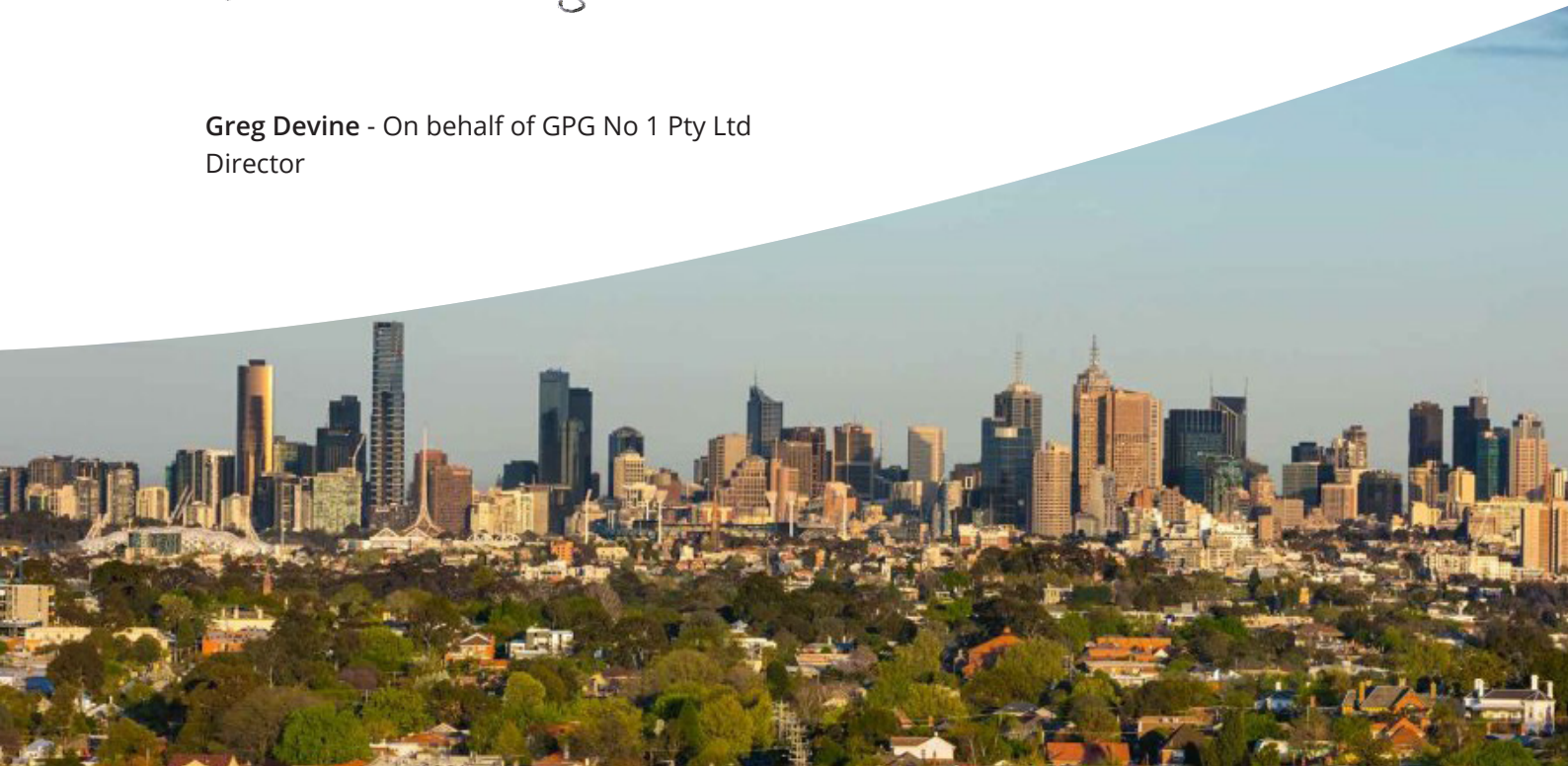
The Development Company is looking to raise approximately \$4.8 million plus GST. It is expected that this will be comprised of \$2,300,000 through individual Private Lenders and the remaining \$1,500,000 through Shareholding and \$1,000,000 from Preferential Equity Partners into GPG No 1 Pty Ltd.

On behalf of the Maple on Hastings project, we look forward to welcoming your interest as a participant in the project and sharing in an outstanding opportunity for an above average return.

Yours Faithfully,



Greg Devine - On behalf of GPG No 1 Pty Ltd
Director



Important Information

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The entities comprising the Manager have compiled the financial and other information in good faith. No formal due diligence or verification has been undertaken in connection with the preparation of this document and the information contained in this document has not been subject to independent audit or review.

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This project is issued under the SMATS Consortium Australian Financial Services Licence (AFSL) Wholesale Licence No. 480476.

Confidentiality

The information provided in this document and attached to it are confidential. This document should not be distributed to any other person unless authorised in writing by the Manager.

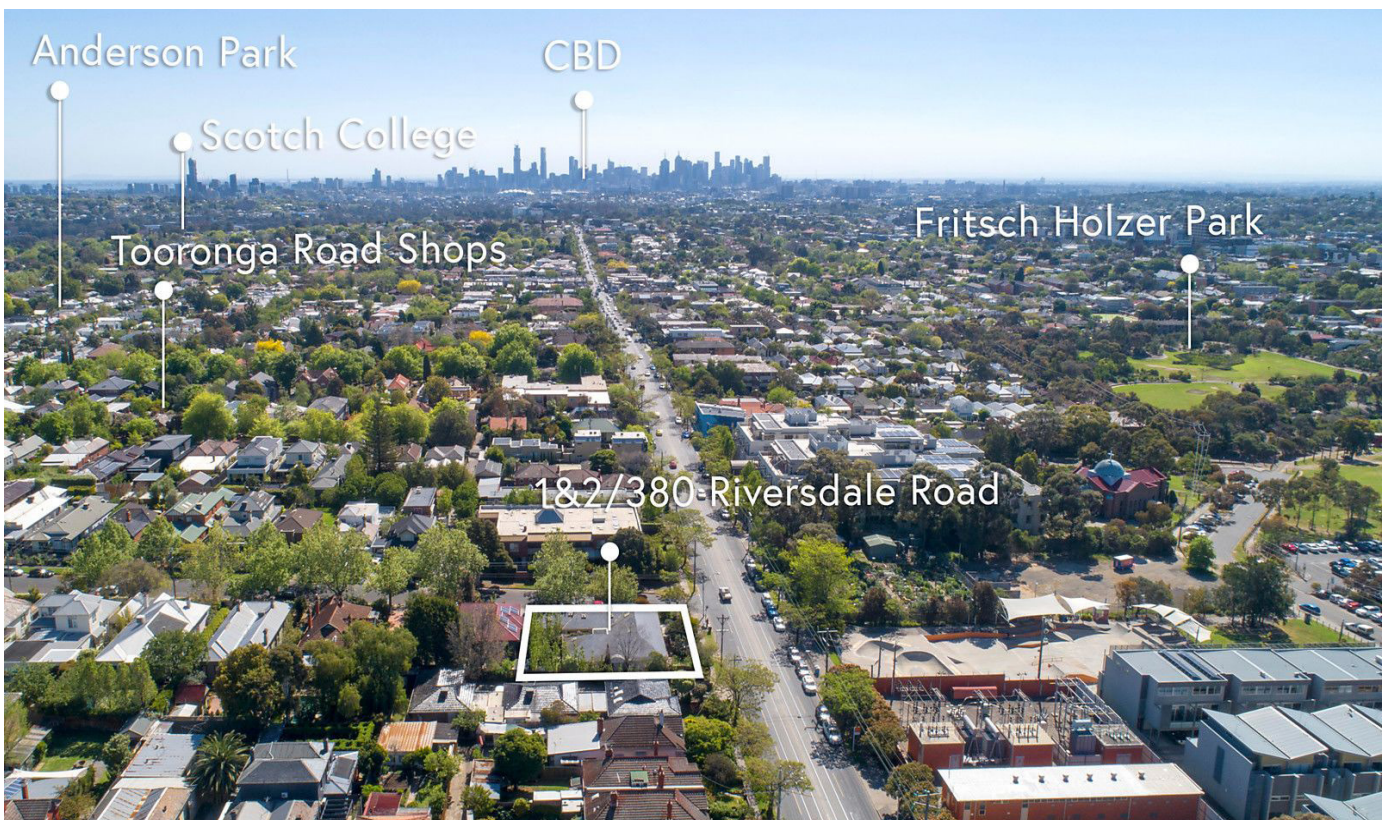
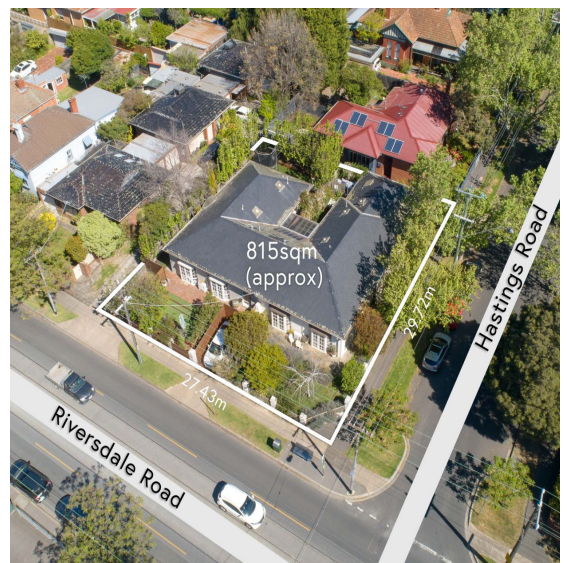
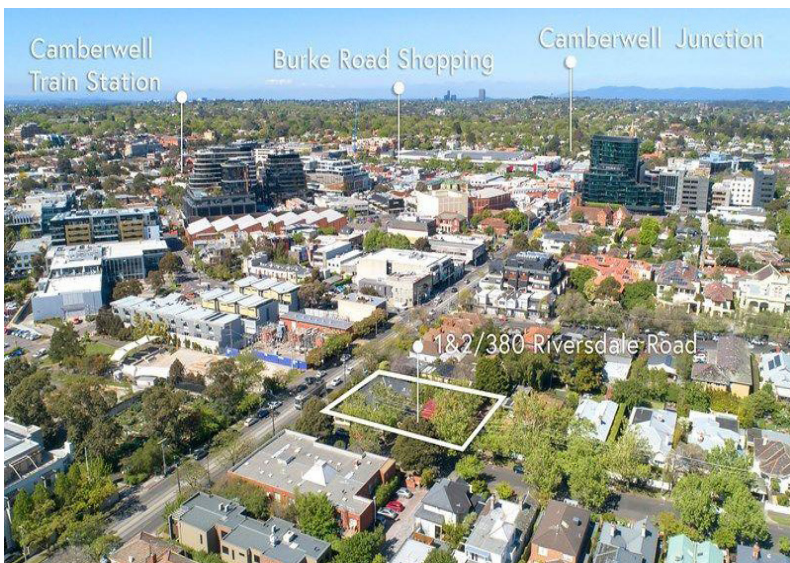
Privacy Statement

By registering your interest (completing the Equity Partner Reservation), you are required to provide personal information to the Manager. The Privacy Act 1988 (Cth) regulates the way the Manager collects, uses, disposes, keeps secure and gives people access to their personal information. The manager is committed to respecting the privacy of your personal information. The Manager collects, holds and uses personal information to process your interest and has adopted a privacy policy that demonstrates how it manages personal information. You can obtain a copy of the policy by contacting the Manager.

Anti-Money Laundering & Counter Terrorism Financing Act

As part of your reservation it will be necessary to provide certified photographic identification of your identity. Details of the requirements are outlined following the Equity Partner Reservation form at the back of this document.





1 | Key Features

The Project

The focus of the project is to develop the land lot located at 380 Riversdale Road, Hawthorn East, Victoria. This land lot is located within a local Residential Growth Zone 1 (RGZ1) and the preparation of a design application featuring an apartment complex with a potential 11 residential apartments has been proposed.

Project Requirements

GPG No 1 Pty Ltd is seeking to raise an initial \$9,000,000 plus GST in capital in a project specific Australian Proprietary Company. This is comprised of \$5,000,000 from banks or institutional lenders, \$2,300,000 from individual Private & Premier Lenders, with \$1,500,000 from Shareholder Equity and \$1,000,000 from Preferential Equity. Please refer to your authorised representative or the SMATS Consortium Property Syndicate information brochure on the definition of these terms.

Lender Eligibility

Participation in the development is restricted to Lenders who qualify as Wholesale/Accredited clients within the meaning of the Corporations Act. Lenders will need to supply a signed letter from their accountant verifying their status as a "Wholesale Client" as defined by the Corporations Act.

Minimum Subscription

All applications for Private Lending in the development through an application must be for a minimum of \$50,000.

Development Asset

The funds raised will be used to develop a proposed residential apartment complex at 380 Riversdale Road, Hawthorn East 3123.

Debt Financing

GPG No 1 Pty Ltd will source debt finance to undertake the development and construction for the Project.





Project Returns

The loan interest rate is fixed for both Private (10% p.a.) and Premier Lenders (14%p.a.) who are beneficiaries under the Security Trust Deed which holds a registered charge over the land.

Lending Risks

There are a number of factors that may lead to returns not being achieved, such as, but not limited to, the risks associated with lending to the development as outlined in section 7.

There is no guarantee the forecast return or any return will be achieved or maintained during the development of the Property. The lender however does have a loan secured over the land via a Loan Agreement and Security Trust Deed.

Lenders should fully consider the risks associated with participating in the development before submitting an application.

Developer and Builder

Griffin Projects Group has been appointed as the Asset Development Manager. Griffin Projects Group will also provide consultation services including Project Management, Sales, and Marketing. A quality independent builder will be appointed as soon as development approval is received. Please note that Griffin Projects Group and SMATS Consortium will receive a fee for project management and licensing.

Term of the Development

Estimated to be approximately 30 months from the release of this Private Lender Project Overview. As capital is required at different stages of the project, the term of any loan will be defined by the individual Loan Agreement.

Loan Interest & Principal Repayments

Interest is accrued and paid with loan principal at the loan maturity date as defined by the individual loan agreement.

2 | The Offer

General Information

This development, located at 380 Riversdale Road, Hawthorn East, Victoria is expected to produce a residential complex comprising a mix of 3 x three bedroom/two bathroom apartments and 8 x two bedroom/two bathroom apartments. This configuration may be adjusted due to market conditions, council requirements and at the discretion of the Investment Committee.

Situated on a prime corner allotment only 7 km from the Melbourne CBD, the subject site is also a short walking distance from excellent amenities and highly sought after educational institutions.

The Maple on Hastings project is expected to be completed within a 30 month time frame from the generation of this document. This project is open to Equity, Private & Premier Lenders. Please refer to your authorised representative or the SMATS Consortium Property Syndicate information brochure on the definition of these terms.



3 | The Project

Project Information

The focus of the Maple on Hastings project is to develop the 815sqm (approx) land lot. Following local planning regulations, we can confirm the site can yield 11 apartments, thereby maximising the residential accommodation, views and subsequently the return to equity partners.

As the design is formalised during the development application, the features of the building will be finalised. The current proposed configuration will take advantage of the unique location.

- Basement Level: Resident and visitor parking, storage units.
- Ground Level: 1 x three bedroom apartment & 2 x two bedroom apartments
- Level 1: 1 x three bedroom apartment & 2 x two bedroom apartments
- Level 2: 1 x three bedroom apartment & 2 x two bedroom apartments
- Level 3: 2 x two bedroom apartments

* Please note that this configuration may be adjusted due to market conditions and at the discretion of the Investment Committee.



Development Location

The unique opportunity to acquire two properties on a prime corner allotment is the perfect fit for the Griffin Projects Group boutique development model. Of further importance is the locale, with the historic suburb of Hawthorn East providing a plethora of amenities, recreational facilities and educational options.

Hawthorn East and its neighbouring suburb of Camberwell provide a wealth of shopping options, with the Burke Road Precinct home to some of retail's biggest names including Kookai, Witchery, Mecca and Kathmandu. This comes in addition to several local shopping centres, weekly local markets, larger grocery chains and ample parking.

Parents in the area benefit from a wealth of education options. Private schooling opportunities include Auburn Primary, Camberwell Primary and Auburn High while private alternatives include Camberwell Girls Grammar and the prestigious Scotch College. The site is also in very close proximity to tertiary options such as The University of Melbourne and Swinburne University of Technology.

Being located approximately 7km from the Melbourne CBD, the area is well serviced for public transportation by two train lines, multiple tram routes and easy Freeway access. The bustling Inner-Eastern suburbs are also home to a range of cafés, restaurants, local cinema and close proximity to the world famous Melbourne Cricket Ground.



4 | The Project Team

Griffin Projects Group - Asset Management Consultants

Through their passion for property, Griffin Projects Group thrives on introducing, managing and integrating property projects to improve living standards and establish positive change within local communities. As an Australian-owned boutique provider of project management, capital development and promotional services within the Australian property market, they believe in the value of relationships and absolute commitment to integrity and professionalism across all their projects.

Griffin Projects Group stands at the forefront of the property industry due to their diverse range of services and expertise. Their team of dedicated professionals can integrate into each stage of a project, providing unrivalled value to their clients, partners and private lenders. When it comes to quality, integrity and reliability, they are recognised as one of Australia's premier specialists across the property and equity industries.

With the backing and solid foundation of our elite partners, private lenders and self-managed super funds, as well as support within the banking sector, Griffin's clients benefit from our wide network of professionals who know what it takes to negotiate, conceptualise, design and implement projects which bring value and quality to the Australian property market.



Greg Devine
Managing Director



Brett Garrett
Project Manager



Brooke Devine
Operations Manager



Cameron Higid
Business Development



Michael Devine
Business Development



Cathy Rademeyer
Support



Leanne Shadbolt
Accounts



Brooke Court
Project Designer



Christian Woodall
Client Services



Dwight Stuchbery
Business Development



Stephen Smith
Licensing



Terry Culley
Project Management



Cassandra Emmerson
Head of Marketing



Layla Wallace
Marketing



Chonghui Ni
Director (China)

5 | The Structure

Structure

The project development is structured within a Special Purpose Australian Proprietary Limited Debt Company with a Director, underpinned by a Property Unit Trust. The Property Unit Trust holds the land title. This project is issued under the SMATS Consortium AFSL Wholesale Licence No. 480476.

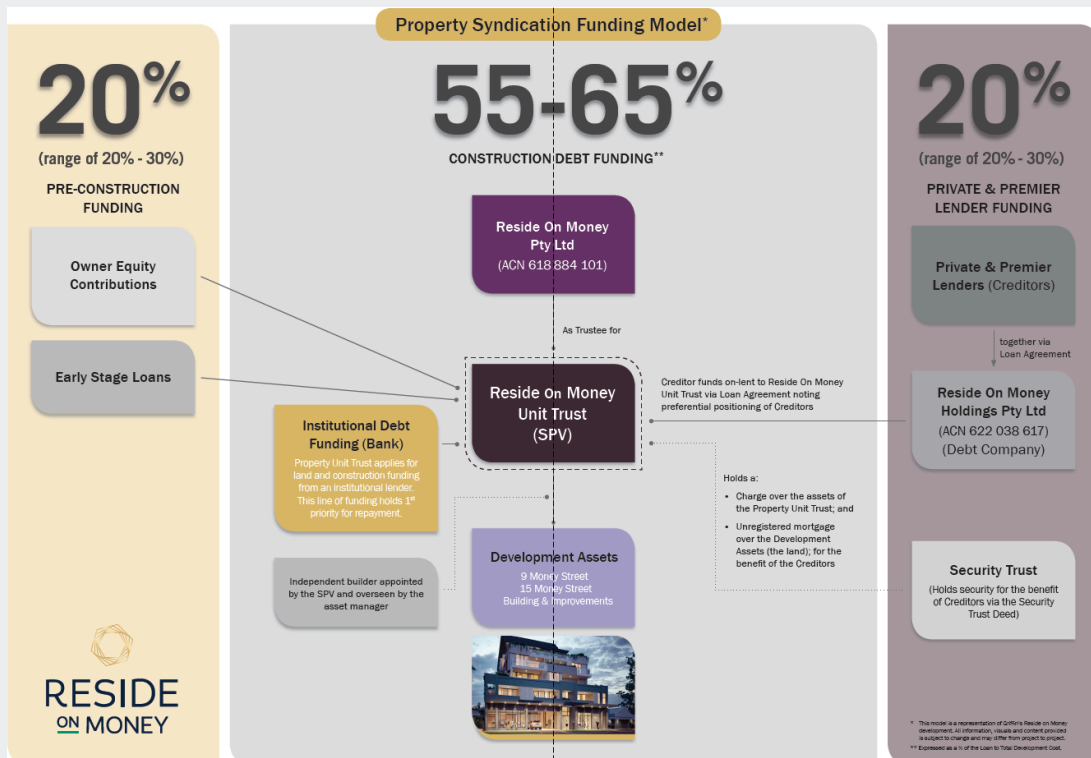
Private Lenders place funds within a legal loan structure to the Special Purpose Debt Company, with the Loan Agreement outlining the terms and conditions of the transaction. The Special Purpose Debt Company on-lends the funds to the Property Unit Trust via a secured lending facility, for the purposes of completing the development.

Upon completion of the project, the Property Unit Trust distributes loan funds, back to the Special Purpose Debt Company, who repays the Private Debt Lenders.

Funding and Debt

The project will be funded through raising equity, via the above structure, and by taking a debt facility for the construction, to be obtained via institutional lenders. The institutional lender will be granted first ranking registered mortgage over the property held within the Property Unit Trust.

Example of Funding Structure



6 | Feasibility

Itemised Profit & Loss (Inclusive of GST) – Full Taxation		Amounts are in \$'s	
Income:			
Development Sales			
Apartment 1 2 x 2	1,050,000		
Apartment 2 2 x 2	1,050,000		
Apartment 3 3 x 2	1,300,000		
Apartment 4 2 x 2	940,000		
Apartment 5 2 x 2	1,050,000		
Apartment 6 3 x 2	1,300,000		
Apartment 7 2 x 2	940,000		
Apartment 8 2 x 2	1,050,000		
Apartment 9 3 x 2	1,300,000		
Apartment 10 2 x 2	1,150,000		
Apartment 11 2 x 2	900,000	12,030,000	
Rent Income		0	
Lending Interest		0	
Other Income		0	
Less: GST Collected in Income		-1,093,636	10,936,364
Less Development Costs:			
Land Purchase Price		3,100,000	
Stamp Duty on Transfer		170,500	
Stamp Duty on First Mortgage		0	
Stamp Duty on Second Mortgage		0	
Finance Establishment Fee (1st Debt)		85,108	
Finance Establishment Fee (2nd Debt)		38,325	
Conveyancing Fees (Purchase)		4,400	
Consultant Items			
Detailed Design & Engineering	418,123		
Griffin Project Management Fee	45,203		
Contingency	124,307		
Consultant Cost Item 4	0		
Griffin Projects Group Manager	156,914		
Consultant Cost Item 6	0	744,547	
Construction Items			
Demolition	50,000		
Development Approval Condition...	40,000		
Preliminaries	385,000		
Construction Costs Living	2,527,700		
Construction Costs Balconies	230,850		
Construction Costs Common Area...	306,000		
Construction Costs Undercroft ...	550,500		
Open Space Ground Floor	235,200		
Landscaping	55,000		
Lift	140,000	4,520,250	
Leasing Fees		0	
Rates and Taxes Items			
Council Rates	13,731		
Water & Sewer	5,079		
Land Tax	43,106	61,916	
Selling Fees		421,050	
Conveyancing Fees (Sale)		5,500	
Other Costs Items			
Legal Fees	20,000		
Quantity Surveyor	15,000		
Valuations	10,000		
Capital Raising Fees	138,916		
Pre-Sales Discounts	120,300		
Buyers Fee	62,000	366,216	
Contingency Amount		0	
Less: GST Input Tax Credits		-832,906	8,684,906
Itemised Profit & Loss (Inclusive of GST) – Full Taxation (cont.)			
Amounts are in \$'s			
Margin Before Interest			2,251,457
Less Borrowing Interest:	First Debt	277,767	
	Second Debt	189,481	467,248
Profit Margin			1,784,210
Total Development Cost			9,152,154
Internal Rate of Return			18.48%
Margin on Development Cost			19.49%
GST Collected in Income			1,093,636
GST Input Tax Credits			832,906
Equity Amount:	2,617,398		(33.28% IRR on Equity)
Margin on Equity:	1,784,210		(68.17% MoE)
Peak Level of First Debt:	4,359,774		(Occurs on June 2021)
Peak Level of Second Debt:	1,916,266		(Occurs on June 2021)

7 | Key Risks

By their very nature all projects involve some level of risk. Before deciding whether to subscribe, a potential participant should consider the following risks, which may affect the return you expect to generate from your participation. If you are in doubt as to the course you should follow, you should seek advice from a professional adviser. We also recommend that you consult a tax adviser to fully consider the relevant taxation implications.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many are outside the control of the Company and cannot be mitigated. Some of the risks associated with participating are set out below.

Market Risk

There is a risk that the property market drops or weakens. This could mean that the rate of pre-sales is slow or we may not achieve the prices we expect, based on our market research and professional valuations. This could mean the loss of some or all of your money.

Borrowing Risk

The developer may look to seek funding from a bank or senior lender in addition to this capital raising if there is a shortfall in funds. It is possible the lending environment for development finance could be restrictive, meaning the money to construct the development may not be immediately available. This could mean the loss of some or all of your money.

This risk will be managed by not starting the subdivision until we have sourced the appropriate amount of financing. Should there be a delay, it could be possible to repay your loan by way of a further capital raising round, in which you would have an option to participate.

Capital Risk

Your participation by way of loan will pay you a preferential return, paid at the completion of the loan term. If sufficient pre-sales are not available at the end of the project, and not enough funding can be arranged via financing the remaining land lots, there is a risk and it is possible that not enough money will be returned from sales to repay lenders in full. You could lose some or all of your money.

Force Majeure

Force Majeure events, economic and political instability, which are events outside the control of the Licensee or Company may occur and adversely affect the returns to participants.

Terrorism

Terrorist activity may affect the local economy.

Tax and Finance

Taxes, including GST, and changes to finance lending conditions may reduce the saleability of the end product in a way not envisaged in the profit forecast assumptions and this may ultimately reduce returns to participants.

Australian tax laws are constantly changing and taxation reform proposals may affect participants. If applicants are uncertain about the taxation effects of their participation they should seek their own taxation advice.

Legal

Changes in State or Federal legislation may affect the return to participants. There may be a risk arising in relation to an adverse change in government policies or legislation in respect of land development.

Project Specific Risk

Development Approval

Development Approval is a legal document that provides permission for specified use or development to occur on a particular piece of land. It is obtained by submitting a development application by following a set of pre-determined design guidelines and policies. Whilst some projects may be purchased with an approved development application, Development Approval may be a requirement and this should be taken in to consideration.

Delays

There may be delays in obtaining planning and development approvals from all relevant authorities or development approvals may not be granted at all. Any delay in obtaining relevant development approvals or in making sales will have a negative impact on returns which might otherwise be achieved.

The Project period may exceed the anticipated time resulting in the lots being uneconomic to develop or less profitable to develop, resulting in lower returns.

Cost Overruns

There is a risk that the civil works contract sum may vary from the estimate in the financial projections due to escalation, design development changes or issues, industrial relations issues or latent site conditions.

There is also a risk that, for whatever reason, the contractor appointed is not able to deliver the project on time or on budget or that there are cost overruns. The development team has extensive experience in negotiating and managing construction contracts similar to the contract required for this development.

Liquidity

There will be no established secondary market for the sale of shares during the expected term of your loan.

Additional Documents that make up part of the overall investment decision may include:

- Private Lender Project Overview (this document)
- Project Plans
- Project Team & Project Manager Overview
- Private Lender Loan Agreement
- Security Trust Deed
- SMATS Consortium Property Syndication information brochure



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Disclaimer

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